T S4/9/1

4/9/1 (Item 1 from file: 20)
DIALOG(R)File 20:Dialog Global Reporter

06986682 (THIS IS THE FULLTEXT)
Commission Junction Moves Headquarters **to** Santa Barbara **;**
Company to Bring 100 New Jobs to the Area by End of Next Year
BUSINESS WIRE
September 01, 1999
JOURNAL CODE: WBWE LANGUAGE: English RECORD TYPE: FULLTEXT
WORD COUNT: 436

SANTA BARBARA , Calif.--(BUSINESS WIRE)--Sept. 1, 1999-- **Commission Junction** , a leading affiliate marketing network, today announced that the company is moving its **headquarters** to **Santa Barbara** , effective July 1.

With the move, **Commission Junction** will bring at least 50 new jobs to **Santa Barbara** this year, while providing another 50 positions by the end of 2000.

Commission Junction was founded in Minneapolis in November 1998. Shortly thereafter, the company acquired **Santa Barbara** -based Active Internet Marketing, and split its workforce between Minneapolis and **Santa Barbara** . This past spring **Commission Junction** President Lex Sisney made the decision to consolidate the workforce on the West Coast.

"We feel that **Santa Barbara** is a great location for our type of company. The city is committed to the retention and expansion of high-technology businesses, and focused on growing the software and Internet industries in particular," Sisney said. "We also hope to draw Internet savvy employees from the Silicon Valley and Los Angeles in addition to local residents."

Sisney projects that rapid growth in the demand for **Commission Junction** 's revenue **sharing** technology will require a combined workforce of more than 50 in **Santa Barbara** by the end of this year. He further estimates that the addition of new technology and services will warrant approximately 50 more new employees over the course of next year.

Commission Junction 's **Santa Barbara** office is currently located at 615B State St. In September, the company will move into its new **headquarters** at 1501 Chapala. **Commission Junction** will host an open house on Friday, Sept. 17, from 4:30 p.m. to 7:30 p.m., for anyone interested in learning more about the company.

Commission Junction creates revenue **sharing** relationships between online businesses (" **merchants** ") and **Web** sites ("affiliates") that generate online traffic. Through a revenue **sharing** agreement, **merchants pay** affiliates commissions when a customer **referral** results in a measurable action, such as a request for more information, a subscription or a purchase at the merchant's site.

Commission Junction is the first and only **Web** -based company to offer a reliable, convenient, third-party service that facilitates affiliate marketing on the Internet by recruiting, administrating and managing thousands of affiliate partnerships for online retailers. **Commission Junction** has attracted more than 100 **merchants** and 125,000 affiliate partnerships.

Commission Junction can be reached on the **Web** at http://www.cj.com or by phone at 800/761-1072.

CONTACT: **Commission Junction**
Scott Horst, 612/676-1440
scott@cj.com

08:02 EDT SEPTEMBER 1, 1999

DESCRIPTORS: Human Resources & Employment; Company News; Facilities & Equipment; Regulation of Business
COUNTRY NAMES/CODES: United States of America (US)
REGIONS: Americas; North America; Pacific Rim
PROVINCE/STATE: California
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T S10/3,K/1-2

10/3,K/1 (Item 1 from file: 15)
DIALOG(R)File 15:ABI/Inform(R)

02090795 63714391
Developing e-partnerships
Trask, Richard
Association Management v52n11 PP: 46-52 Nov 2000
ISSN: 0004-5578 JRNL CODE: AMG
WORD COUNT: 3757

ABSTRACT: The **Web** has spawned a multitude of **online** joint ventures that pay referral payments - on a per click, per lead, or per sale...

...may not related to the purposes of the partnering organizations. Some of these exciting new **online** partnerships are the product of traditional **royalty** - or **commission** -based affinity programs that have migrated to the **Web** . Others are the result of e-commerce opportunities and the wide variety of dot-com...

...partnership your association enters, you will want to make sure that the benefits of an **online** revenue- **sharing** program will more than outweigh its costs. Guidelines are presented.
TEXT: Richard Trask, president, Revenue **Sharing** Association, San Francisco, explains how to find the right e **partner** for your association. Thanks to the Internet, a host of revenue- **sharing** relationships are adding value to the programs and services associations provide. But finding the right...

... for many associations within their overall mix of strategic partnerships.

But a new breed of **online** alliances is fast emerging as the result of an incredible amount of Internet business activity in recent years. In 1997, Amazon.com launched the first revenue-- **sharing** program of its kind. Since then the number of revenue- **sharing** (also called associate or affiliate) programs on the Internet has grown at an enormous rate, and for good reason. Quite simply, a well-designed revenue- **sharing** program may be the best and fastest way to generate **online** business.

The **Web** has spawned a multitude of **online** joint ventures that pay referral payments-on a per click, per lead, or per sale...

...may not related to the purposes of the partnering organizations. Some of these exciting new **online** partnerships are the product of traditional **royalty** - or **commission** -based affinity programs that have migrated to the **Web** . Others are the result of e-commerce opportunities and the wide variety of dot.com...

... association products and services or of the marketplace segments they represent.

These and other revenue- **sharing** alliances deserve serious consideration by association executives, because associations stand to derive significant revenue from...

... of strategic partnerships. The new models also deserve careful attention. As with any other revenue- **sharing** program, your association's

online alliances must be implemented properly to be effective. Before discussing certain key elements in setting up an **online** revenue- **sharing** program and the importance of conducting a cost-benefit analysis, it will help to briefly lood at several types of program models.

Revenue **sharing** models

First, some terminology is in order. A revenue- **sharing** program is one in which a **merchant** (an **online** business that markets and sells goods or services) **pays** a **royalty** or □commission□ to a revenue-□sharing□ **partner** (a **Web** site owner). Programs typically pay a□partner□on the basis of clicks, leads, or sales that link or **refer** a **customer** to the **merchant** from the revenue- **sharing** **partner** 's□Web□site. Pay per click **pays** a set amount for each time someone clicks on a link; pay per lead **pays** a **royalty** or □commission□ for each referral (e.g., membership registration or a click to the **merchant** 's **Web** site); and pay per sale **pays** either a flat fee or a percentage of the amount of each sale referred.

Revenue- **sharing** programs are considered by most to be cost-- effective methods for getting consumers to purchase a product, register for a service, fill out a form, or visit a **Web** site. While in most cases associations represent the revenuesharing **partner** in these relationships, associations also develop products and services that Internet companies want to promote.

Royalties and commissions. Amazon .com, an **online** retailer with which a number of associations have partnered, represents a familiar type of revenue-- **sharing** relationship, in which partners are compensated based on the sale of the **merchant** 's products. One possible disadvantage for a revenue- **sharing** **partner** in this type of relationship is that a **customer** referred from the **partner** 's site may not buy right off the bat, and if the **customer** later returns to make a purchase-though not through the **partner** 's site-the sale may not be credited to the **partner** .

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equipment listed in the database from its site. (See "The Bold Rush...

...of ASSOCIATION MANAGEMENT to read more about AED's e-commerce venture.)

Two-tier. Revenue- **sharing** program marketing is potentially even more effective when the two-tier model is applied to a program. This model allows revenue- **sharing** partners to sign up additional revenue- **sharing** partners below them so that when second-tier partners earn a **commission** , the primary **partner** also receives a smaller **commission** as a referral fee. (ClickBank.com and Aweber.com are commercial examples of this two-tier revenue- **sharing** model.) In this regard, a two-tier model provides an additional revenue vehicle, but it also changes the structure of a revenue-- **sharing** relationship. For instance, if a national association-as a revenuesharing **partner** of a particular program-encourages its chapters to also offer the program, the national association will create an additional revenue opportunity by recruiting additional revenue- **sharing** partners as opposed to merely generating traffic by referring its members to the program.

Core considerations

No matter which of these or other types of revenue- **sharing** models your association may consider, revenue-- **sharing** partners need a way to weed out programs that may be poor performers. Before you...

... assess whether it's a good match. (See sidebar, "Evaluating Your E-Partnership.") Likewise, an **online** revenue- **sharing** partnership brings with it many legal questions for **merchant** and **partner** alike. These include important tax and liability issues. Recognizing the legal implications of **online** partnerships and seeking counsel before proceeding is critical. (See the companion article "The Risk of Partnering **Online** " by Joseph Greif in this issue of ASSOCIATION MANAGEMENT.)

In particular, the success of any **online** revenue- **sharing** program hinges on several key components of the relationship that you should feel confident are...

... and support. A whole host of activities are required for developing and maintaining a successful **online** partnership. For instance, the **merchant** must distribute HTML code, graphics, logos-everything its **partner** will need to establish a link to the revenue- **sharing** program. Technical support for partners is another key component. Merchants must provide the basic assistance to help partners establish the link and add it to their **Web** sites. This may be accomplished with help menus that walk partners through the process, but...

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Reporting. One important way a **merchant** proves its honesty and financial stability is in how it handles **commission** reporting. Ideally, a **merchant** will provide real-time access to **commission** statements as well as **commission** tracking **online** so that partners may check their status at any time. In a password-protected part of the revenue-- **sharing** program's **Web** site, for instance, merchants should provide every conceivable piece of information that partners could want...

...fielding questions and fulfilling requests.

Marketing. A marketing plan Is required to build a revenue- **sharing** program. The role for the association as a **partner** is to determine in part whether the revenue- **sharing** program is directly tied to the association's mission. If so, the association may simply make available a list of e-mail addresses for the **merchant** or provide a brief mention of the program in its member publications and on its **Web** site, leaving all active promotion to the **merchant** . The implication for merchants is that they should be equipped to provide whatever kind of...

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Ideally, merchants should recognize the lifetime value of each referred **customer** by paying partners accordingly, and they should pay partners whenever their referrals return to the **merchant** 's store and make purchases, not only on their first purchase. Such residual income is concrete proof that the **merchant** considers its revenue- **sharing** **partner** a **partner** and not a low-cost referral mechanism.

Of course, **commission** levels must be fair to both partners and program. When a **merchant** **pays** lifetime commissions, the best structure may be a higher percentage for the initial sale and...

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Evaluating Your e-Partnership
How can you tell a good revenue- **sharing** opportunity when you see one? How can you be sure that those wanting to **partner**

with your program will pass muster? A true partnership runs both ways. Whichever role you play in an **online** revenue- **sharing** rela. tionship, make sure that the product or service being offered and the potential **partner** aiming to sell it create an obvious fit. Otherwise, it's probably not worth the time, money, and effort to develop a partnership.

The Revenue **Sharing** Association (RSA), San Francisco, offers a free service to its members that provides a complete review of the revenue- **sharing** programs in which they are interested. The review includes information about a **merchant** 's financial status, its principals, number of affiliates, the status of any disputes, how the...

...earn at least a satisfactory rating.

SATISFACTORY. Programs considered satisfactory should have these characteristics:

1. **Online** application form. Merchants should make it easy to join their programs. And in most cases...
...pay.

2. Well-written terms and conditions. In many cases, the only thing the revenue- **sharing** **partner** is responsible for is providing traffic, and any ongoing maintenance and administration is the responsibility of the **merchant** . Make sure roles and responsibilities are spelled out.

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4. Good compensation plan. As a general rule, the **commission** to a revenue- **sharing** **partner** should be at least 10 percent, with a minimum dollar amount accumulated before payment of $25. Additionally, the **partner** should have a choice of receiving payments by paper check or electronic deposit.

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2. **Customer** service support. Make sure the program clearly delineates its return policy and that it provides...Better Business Bureau and Truste.org are two such services that can indicate whether a **merchant** is **customer** friendly.

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1. Excellent **customer** service support. In addition to providing 800 and e-mail channels for voicing a complaint, programs deemed excellent will also provide a **customer** reply and tracking system whereby customers are updated about the status of their complaint or can check the status themselves.

2. Excellent **partner** support services. An excellent program also designates a point person who manages the association's...

...made available to correct any problems or complaints.

3. Regular marketing promotions targeted to its **partner** audiences.

4. Payment to partners based on residual basis (i.e., payment for repeat-not...

...branded pages.

6. Translation capability that offers multiple language options.

For more information on revenue **sharing** , see RSA's **Web** site at www.revenuesharingassoc.com.

Keeping Members in Mind

Offering members portals for shopping is...

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Ultimately, an **online** strategic partnership, like any other your association may enter, must enhance the value of the...

...feedback to gauge the kind of programs the association ought to pursue.

Determining which revenue- **sharing** model works best for a particular program depends in part on the nature of what is being offered. For instance, AIMR offers several **online** programs based on **royalty** payment. Under one program, AIMR members in North America receive discounts on various IBM products...

...professional framing and matting of their charters.

Decisions about the nature and structure of an **online** partnership depend at least in part on the level of control you want your association...

... C., which provides e-recruiting services, partners with a number of associations in actual revenue- **sharing** arrangements. But when AIMR decided to migrate its former paperbased job bank to an electronic...
... JobLine to its members. As a result, AIMR receives 100 percent of the revenue and **pays** Boxwood a monthly fee for hosting, maintaining, and providing back-end support.

"The best **online** programs-and the most successful ones-will be an outgrowth of asking what meets the...

...particular industry or profession your association repre. sents.

And the nondues revenue derived from your **online** partnerships should not be the primary motivation for participating in a program, adds Stacy Tetschner...

...can ask when assessing the fit between your association's membership and a potential revenue **sharing** program:

1. Does this company offer a product or service that my members need? If...

...it merges or is acquired by another company?

Richard Track is president of the Revenue **Sharing** Association, San Francisco. E-- mail: track@revenuesharingassoc.com.

10/3,K/2 (Item 1 from file: 148)
DIALOG(R)File 148:Gale Group Trade & Industry DB

12880448 SUPPLIER NUMBER: 67590365 (USE FORMAT 7 OR 9 FOR FULL TEXT)

Developing e-Partnerships.(associations and online **revenue** sharing **ventures)**
TRASK, RICHARD
Association Management, 52, 11, 46
Nov, 2000
ISSN: 0004-5578 LANGUAGE: English RECORD TYPE: Fulltext
WORD COUNT: 4064 LINE COUNT: 00327

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...DESCRIPTORS: **Online** services...

...Revenue **sharing** --
?

Set	Items	Description
S1	0	ONLINE (S) BISINESS (S) MERCHANTS (S) WEB (S) SITES (S) SH-ARING (S) AGREEMENT (S) REFERRAL
S2	0	(COMMISSION (W) JUNCTION (W) MOVES (W) HEADQUARTERS (W) SA-NTA (W) BARBARA)
S3	17	COMMISSION AND JUNCTION AND MOVES AND HEADQUARTERS AND SA-NTA AND BARBARA
S4	1	S3 AND MERCHANTS AND SHARING AND REFERRAL AND PAY AND WEB
S5	83	MERCHANT AND ONLINE AND WEB AND REFER AND CUSTOMER AND SHA-RING AND PARTNER
S6	0	S5 AND PAYS AND ROYLATY AND COMMISION
S7	0	S5 AND PAYS AND ROYALTY AND COMMISION
S8	4	S5 AND PAYS AND ROYALTY AND COMMISSION
S9	2	S8 AND SUBSCRI??????
S10	2	S8 NOT S9

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10/9/2 (Item 1 from file: 148)
DIALOG(R)File 148:Gale Group Trade & Industry DB

12880448 SUPPLIER NUMBER: 67590365 (THIS IS THE FULL TEXT)
Developing e-Partnerships.(associations and online **revenue** sharing **ventures)**
TRASK, RICHARD
Association Management, 52, 11, 46
Nov, 2000
ISSN: 0004-5578 LANGUAGE: English RECORD TYPE: Fulltext
WORD COUNT: 4064 LINE COUNT: 00327

TEXT:

Thanks to the Internet, a host of revenue- **sharing** relationships are adding value to the programs and services associations provide. But finding the right partners still takes top priority.

Associations have for many years partnered to provide their members with a wide range of products and services--from almost every kind of insurance and long-distance phone service to airfare and car rental discounts. Much has been said about the revenue-producing opportunities and the member-retention potential of traditional affinity programs, which have been a mainstay for many associations within their overall mix of strategic partnerships.

But a new breed of **online** alliances is fast emerging as the result of an incredible amount of Internet business activity in recent years. In 1997, Amazon.com launched the first revenue- **sharing** program of its kind. Since then the number of revenue- **sharing** (also called associate or affiliate) programs on the Internet has grown at an enormous rate, and for good reason. Quite simply, a well-designed revenue- **sharing** program may be the best and fastest way to generate **online** business.

The **Web** has spawned a multitude of **online** joint ventures that pay referral payments--on a per click, per lead, or per sale basis--for purchases of products and services that may or may not relate to the purposes of the partnering organizations. Some of these exciting new **online** partnerships are the product of traditional **royalty** - or **commission** -based affinity programs that have migrated to the **Web** . Others are the result of e-commerce opportunities and the wide variety of dot.com companies that are recognizing the value of association products and services or of the marketplace segments they represent.

These and other revenue- **sharing** alliances deserve serious consideration by association executives, because associations stand to derive significant revenue from this newest subcategory of strategic partnerships. The new models also deserve careful attention. As with any other revenue- **sharing** program, your association s **online** alliances must be implemented properly to be effective. Before discussing certain key elements in setting up an **online** revenue- **sharing** program and the importance of conducting a cost-benefit analysis, it will help to briefly look at several types of program models.

Revenue- **sharing** models

First, some terminology is in order. A revenue- **sharing** program is one in which a **merchant** (an **online** business that markets and sells goods or services) **pays** a **royalty** or□commission□to a revenue-□sharing□ **partner** (a **Web** site owner). Programs typically pay a□partner□on the basis of clicks, leads, or sales that link or **refer** a **customer** to the **merchant** from the revenue- **sharing** **partner** 's□Web□site. Pay per click **pays** a set amount for each time someone clicks on a link; pay per lead **pays** a **royalty** or□commission□for each referral (e.g., membership

registration or a click to the **merchant** 's **Web** site); and pay per sale **pays** either a flat fee or a percentage of the amount of each sale referred.

Revenue- **sharing** programs are considered by most to be cost-effective methods for getting consumers to purchase a product, register for a service, fill out a form, or visit a **Web** site. While in most cases associations represent the revenue- **sharing** **partner** in these relationships, associations also develop products and services that Internet companies want to promote.

Royalties and commissions. Amazon.com, an **online** retailer with which a number of associations have partnered, represents a familiar type of revenue- **sharing** relationship, in which partners are compensated based on the sale of the **merchant** 's products. One possible disadvantage for a revenue- **sharing** **partner** in this type of relationship is that a **customer** referred from the **partner** 's site may not buy right off the bat, and if the **customer** later returns to make a purchase--though not through the **partner** 's site--the sale may not be credited to the **partner** .

Even so, the Amazon.com associates program and others like it have proven advantageous for many. The National Speakers Association (www.nsaspeaker.org), Tempe, Arizona, for example, offers targeted resources to members and others interested in the speaking profession without having to invest heavily in inventory. Rather than setting up a simple link to Amazon.com, NSA has developed an **online** bookstore on its **Web** site that features member-recommended books categorized by NSA competencies and by presenters featured at NSA meetings. After browsing the NSA bookstore, site visitors link to Amazon.com to make their final purchases.

Fund-raising and charitable contributions.

Door-to-door sales, along with car washes, box-top drives, and bake sales have long been the fund-raisers of choice for K-12 schools. But a recent explosion of school fund-raising sites has changed all of this. GOTSchool.com, Schoolpop.com, ShopforSchool.com, and GreaterGood.com are examples of this type of fund-raising revenue- **sharing** program. These sites essentially serve as directories or malls featuring all sorts of click-and-mortar merchants offering products that in turn can benefit the school of your choice. Associations are also exploring this revenue- **sharing** model. University of Maryland Medical Systems Foundation (www.ummsfoundation.org), Baltimore, and Williametre Valley Down Syndrome Association (wvdsa.myassociation.com), Corvallis, Oregon, are two nonprofits partnered with MyAssociation.com, Salt Lake City, which offers a program whereby shoppers buy a variety of goods--from flowers to clothes to computers--with the understanding that a portion of the purchase price will go to the charitable organization.

E-commerce. Unlike some of the original revenue- **sharing** program models like Amazon.com, for which the **Web** site visitor leaves the **partner** 's site to complete the transaction, one benefit of the e-commerce model is that it keeps the site visitor on the **partner** 's site or on a co-branded site. BizBuyer.com is one example of a dot.com partnering with associations in this way. A number of associations are also playing the primary role in e-commerce revenue- **sharing** ventures. An excellent example is Associated Equipment Dealers (www.aednet.org), Oak Brook, Illinois. AED has licensed its MachineMart database in a way that it remains an AED component while allowing AED's **partner** to sell dealer equipment listed in the database from its site. (See "The Bold Rush to the Internet" in the August 2000 issue of ASSOCIATION MANAGEMENT to read more about AED's e-commerce venture.)

Two-tier. Revenue- **sharing** program marketing is potentially even more effective when the two-tier model is applied to a program. This model allows revenue- **sharing** partners to sign up additional revenue- **sharing** partners below them so that when second-tier partners earn a **commission** ,

the primary **partner** also receives a smaller **commission** as a referral fee. (Click-Bank.com and Aweber.com are commercial examples of this two-tier revenue- **sharing** model.) In this regard, a two-tier model provides an additional revenue vehicle, but it also changes the structure of a revenue- **sharing** relationship. For instance, if a national association--as a revenue- **sharing** **partner** of a particular program--encourages its chapters to also offer the program, the national association will create an additional revenue opportunity by recruiting additional revenue- **sharing** partners as opposed to merely generating traffic by referring its members to the program.

Core considerations

No matter which of these or other types of revenue- **sharing** models your association may consider, revenue- **sharing** partners need a way to weed out programs that may be poor performers. Before you sign up your association with a particular program, you'll want to assess whether it's a good match. (See sidebar, "Evaluating Your E-Partnership.") Likewise, an **online** revenue- **sharing** partnership brings with it many legal questions for **merchant** and **partner** alike. These include important tax and liability issues. Recognizing the legal implications of **online** partnerships and seeking counsel before proceeding is critical. (See the companion article "The Risk of Partnering **Online** " by Joseph Greif in this issue of ASSOCIATION MANAGEMENT.)

In particular, the success of any **online** revenue- **sharing** program hinges on several key components of the relationship that you should feel confident are squarely in place.

Technical setup and support. A whole host of activities are required for developing and maintaining a successful **online** partnership. For instance, the **merchant** must distribute HTML code, graphics, logos--everything its **partner** will need to establish a link to the revenue- **sharing** program. Technical support for partners is another key component. Merchants must provide the basic assistance to help partners establish the link and add it to their **Web** sites. This may be accomplished with help menus that walk partners through the process, but ideally someone will be available in real-time by email or phone to answer questions. Who is responsible for such activities? Most successful revenue- **sharing** programs have an employee who manages the program and is typically responsible for establishing incentive programs and overseeing the front-end marketing of the program.

Reporting. One important way a **merchant** proves its honesty and financial stability is in how it handles **commission** reporting. Ideally, a **merchant** will provide real-time access to **commission** statements as well as **commission** tracking **online** so that partners may check their status at any time. In a pass-word-protected part of the revenue **sharing** program's **Web** site, for instance, merchants should provide every conceivable piece of information that partners could want. This not only meets the needs of partners, but also cuts down on time spent by merchants fielding questions and fulfilling requests.

Marketing. A marketing plan is required to build a revenue- **sharing** program. The role for the association as a **partner** is to determine in part whether the revenue- **sharing** program is directly tied to the association's mission. If so, the association may simply make available a list of e-mail addresses for the **merchant** or provide a brief mention of the program in its member publications and on its **Web** site, leaving all active promotion to the **merchant** . The implication for merchants is that they should be equipped to provide whatever kind of marketing is needed to make the program a success.

Compensation. The payment procedure for a revenue- **sharing** program is determined by the **merchant** . Typically, merchants will issue a **commission** check when the **partner** reaches a predetermined balance. In general, commissions are paid on a monthly basis, since a more frequent

payment program is too expensive to maintain and a quarterly payment program will not satisfy most revenue- **sharing** partners.

Ideally, merchants should recognize the lifetime value of each referred **customer** by paying partners accordingly, and they should pay partners whenever their referrals return to the **merchant** 's store and make purchases, not only on their first purchase. Such residual income is concrete proof that the **merchant** considers its revenue- **sharing** **partner** a **partner** and not a low-cost referral mechanism.

Of course, **commission** levels must be fair to both partners and program. When a **merchant** **pays** lifetime commissions, the best structure may be a higher percentage for the initial sale and a reduced percentage for any additional sales.

Analyzing costs and benefits

As with any strategic partnership your association enters, you'll want to make sure that the benefits of an **online** revenue- **sharing** program will more than outweigh its costs. Consider these important factors:

* Nature of the product or service. Does it make sense for the potential revenue- **sharing** **partner** to offer the product or service? This is really a question of synergy between the product and, in the case of associations, its members. If, for instance, you happen to know that a large base of your members are animal lovers and pet owners, then it may make sense to join a program offering products and services related to those concerns even if those concerns don't support the primary mission of your association. Along these same lines, if your membership is composed of animal rights activists, then you clearly don't want to join a program that sells hunting apparel.

* Cost of the product or service. In addition to seeking a certain synergy between the product and your membership, the cost to members should be in harmony with what they' re willing to pay. One basic question to ask is whether the price points of the product or service are relevant to your marketplace.

* Credibility of the program. How long has the program been around? Does the company have experience in this area? What is the company's financing situation? If it's a start-up and isn't yet profitable, does the company have enough capital to sustain itself? At the very least, seek references--including references beyond other clients, such as the company's accountant or attorney. Listen carefully not only to what is being said, but also to what isn't mentioned.

* **Customer** service. What are the company's policies regarding **customer** service and returns? If the association or its members experience a problem, is there a designated point person who will respond and fix the problem?

* Level of traffic. Will the program generate enough participation? Based on how much time and energy your association may need to put forth, you should have a benchmark in mind for what level of participation will make the program successful and worthwhile. However, only once a program is in place can you really determine whether members appreciate the program and are availing themselves of what it offers.

* Hard and soft costs. What will be the financial and staffing commitments required by your association? Will you need to acquire an information technology staff member to implement and maintain the program? While this generally won't be the case, you will likely assume some soft costs as a result of needing to monitor the program. This often means that someone already on staff will absorb additional responsibilities for tracking revenue and fielding member inquiries and complaints. Determine how much impact a given program will have on association staff. Will the incremental revenue resulting from your involvement in a program justify the staff time it may take to establish, maintain, or monitor a link? Do the people and money necessary to start and maintain a program exist?

* Hidden costs versus real value. Finally, while you may not be able to pinpoint in dollars the goodwill lost or gained with members, it's worth bearing in mind that your association's reputation is always at stake with any partnership you form. If your members see that their association is aligned with a product that doesn't work or is irrelevant to them, you could lose valuable credibility that may be difficult if not impossible to recoup. If, however, you've done your homework and know that a real synergy exists between a particular product or service and your membership, then members will reward you by coming back more often than before. The counterpoint to hidden costs is the real value that the right match can bring to your members and to your association.

Richard Trask is president of the Revenue **Sharing** Association, San Francisco.

Evaluating Your e-Partnership

How can you tell a good revenue- **sharing** opportunity when you see one? How can you be sure that those wanting to **partner** with your program will pass muster? A true partnership runs both ways. Whichever role you play in an **online** revenue- **sharing** relationship, make sure that the product or service being offered and the potential **partner** aiming to sell it create an obvious fit. Otherwise, it's probably not worth the time, money, and effort to develop a partnership.

The Revenue **Sharing** Association (RSA), San Francisco, offers a free service to its members that provides a complete review of the revenue- **sharing** programs in which they are interested. The review includes information about a **merchant** 's financial status, its principals, number of affiliates, the status of any disputes, how the program is managed (e.g., third party or in-house), and its criteria for choosing partners. Additionally, ASA has established a rating system to help members judge a program and recommends that members don't join a program that doesn't earn at least a satisfactory rating.

SATISFACTORY. Programs considered satisfactory should have these characteristics:

1. **Online** application form. Merchants should make it easy to join their programs. And in most cases, signing up should be free. While some programs may require payment to join as a way to ensure the quality of their partners, take a close look at any program that asks you to pay.

2. Well-written terms and conditions. In many cases, the only thing the revenue- **sharing** **partner** is responsible for is providing traffic, and any ongoing maintenance and administration is the responsibility of the **merchant** . Make sure roles and responsibilities are spelled out.

3. Good pro duct or service. Does the program offer a great product or service at a good price? Will it be a good fit for your association? If not, the program is doomed from the start, since most people won't be successful selling what they don't believe in.

4. Good compensation plan. As a general rule, the **commission** to a revenue- **sharing** **partner** should be at least 10 percent, with a minimum dollar amount accumulated before payment of $25. Additionally, the **partner** should have a choice of receiving payments by paper check or electronic deposit.

5. Real-time reporting services. Partners should have access to tracking their revenue at all times.

SUPERIOR. Programs considered of superior rating should have all characteristics of a satisfactory rating, plus:

1. Privacy policy. Make sure that your association and its members have verification that their information won't be shared or sold without their permission. Likewise, make sure the program provides clear instruction about how to voice complaints and includes a toll-free number and e-mail address.

2. **Customer** service sup port. Make sure the program clearly delineates its return policy and that it provides multiple touch points (an

800 number and e-mail address, for instance) available 24 hours a day, seven days a week.

3. Membership in one or more third-party privacy services. The Better Business Bureau and Truste.org are two such services that can indicate whether a **merchant** is **customer** friendly.

EXCELLENT. Programs considered excellent should have all characteristics of a superior rating, plus:

1. Excellent **customer** service support. In addition to providing 800 and e-mail channels for voicing a complaint, programs deemed excellent will also provide a **customer** reply and tracking system whereby customers are updated about the status of their complaint or can check the status themselves.

2. Excellent **partner** support services. An excellent program also designates a point person who manages the association's account, understands the needs of the association's membership, and is made available to correct any problems or complaints.

3. Regular marketing promotions targeted to its **partner** audiences.

4. Payment to partners based on residual basis (i.e., payment for repeat--not only first-time--visits or purchases).

5. Option of co-branded pages.

6. Translation capability that offers multiple language options.

Keeping Members in Mind

Offering members portals for shopping is a fast-growing area of interest for associations, according to Annette Petrick, CAE, president of Petrick Outsourcing Unlimited, Inc., Woodstoclc, Virginia. In conjunction with this trend, associations are also moving toward co-branding products--providing, for instance, a selection of insurance products specific to their industries or professions. "Whereas members used to turn to their associations as the source of information, many now consider the Internet as their primary source,' says Petrick. The implication? "Associations must develop strategies and partnerships **online** that will keep members turning to them as the source for information and products on the Internet as well," says Petrick.

At the same time, associations must offer programs and products that make sense for their members and are in line with the association's mission, says Petrick. One mistake she sees some associations making is rushing to provide anything and everything **online** . Simply because a particular program is relatively pain-free to provide, it's still vitally important to know what your members want and what kind of programs will make a good fit, contends Petrick.

Ultimately, an **online** strategic partnership, like any other your association may enter, must enhance the value of the association for your members, says Chip Deale, CAE, vice president of member and society services for the Association for Investment Management and Research (www.aimr.org), Charlottesville, Virginia. AIMR relies on member surveys and feedback to gauge the kind of programs the association ought to pursue.

Determining which revenue- **sharing** model works best for a particular program depends in part on the nature of what is being offered. For instance, AIMR offers several **online** programs based on **royalty** payment. Under one program, AlMA members in North America receive discounts on various IBM products and services. In return, AIMA receives 2-5 percent on each sale, depending on the product or service purchased. In another revenue **sharing** arrangement, the association receives a flat fee for each AIMR member order placed with MacMannes, Inc., which offers AlMA's Chartered Financial Analyst members professional framing and matting of their charters.

Decisions about the nature and structure of an **online** partnership depend at least in part on the level of control you want your association to maintain. For instance, Boxwood Technology, Inc., Washington, D.C., which provides e-recruiting services, partners with a number of

associations in actual revenue- **sharing** arrangements. But when AIMR decided to migrate its former paper based job bank to an electronic format, the association decided to retain 100 percent of the marketing and promotion of Job Line to its members. As a result, AIMA receives 100 percent of the revenue and **pays** Boxwood a monthly fee for hosting, maintaining, arid providing back-end support.

"The best **online** programs--and the most successful ones--will be an outgrowth of asking what meets the specific needs of your members," says Deale. Equally important, he says, is selecting program partners that not only have a working knowledge of associations, but that also understand the particular industry or profession your association represents.

And the nondues revenue derived from your **online** partnerships should not be the primary motivation for participating in a program, adds Stacy Tetschner, CAE, executive vice president, National Speakers Association, Tempe, Arizona. Make service to members your number one concern. Your own credibility as an association is also at stake, reminds Tetschner. He offers four critical questions you can ask when assessing the fit between your association's membership and a potential revenue- **sharing** program:

1. Does this company offer a product or service that my members need? If so, who else is providing it, and can my members get it less expensively elsewhere?

2. How will this company market to my membership? How much input will it allow my staff members in developing the marketing pieces to target the needs of our members?

3. Is our share of revenue fair for the amount of work we need to put into the program? (Even if the revenue share doesn't reflect the amount of resources you invest, is this a service that your members really want and have been asking for?)

4. How long has this company been in business, and what will be included in the contract to ensure continued service if it merges or is acquired by another company?

INDUSTRY CODES/NAMES: BUS Business, General; BUSN Any type of business
DESCRIPTORS: Trade and professional associations--Joint ventures; **Online** services--Joint ventures; Revenue **sharing** --Joint ventures
GEOGRAPHIC CODES/NAMES: 1USA United States
PRODUCT/INDUSTRY NAMES: 8600000 (Membership Organizations); 9141239 (Finance); 9915190 (Financial Management NEC)
SIC CODES: 8600 MEMBERSHIP ORGANIZATIONS
NAICS CODES: 813 Religious, Grantmaking, Civic, Professional, and Similar Organizations; 92112 Legislative Bodies
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ABSTRACT: The **Web** has spawned a multitude of **online** joint ventures that pay referral payments - on a per click, per lead, or per sale basis - for purchases of products and services that may or may not related to the purposes of the partnering organizations. Some of these exciting new **online** partnerships are the product of traditional **royalty** - or **commission** -based affinity programs that have migrated to the **Web** . Others are the result of e-commerce opportunities and the wide variety of dot-com companies that are recognizing the value of association products and services or of the marketplace segments they represent. As with any strategic partnership your association enters, you will want to make sure that the benefits of an **online** revenue- **sharing** program will more than outweigh its costs. Guidelines are presented.

TEXT: Richard Trask, president, Revenue **Sharing** Association, San Francisco, explains how to find the right e **partner** for your association.

Thanks to the Internet, a host of revenue- **sharing** relationships are adding value to the programs and services associations provide. But finding the right partners still takes top priority. ssociations have for many years partnered to provide their members with a wide range of products and services-from almost every kind of insurance and long-distance phone service to airfare and car rental discounts. Much has been said about the revenue-producing opportunities and the member-retention potential of traditional affinity programs, which have been a mainstay for many associations within their overall mix of strategic partnerships.

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City, which offers a program whereby shoppers buy a variety of goods-from flowers to clothes to computers-with the understanding that a portion of the purchase price will go to the charitable organization.

E-commerce. Unlike some of the original revenue- **sharing** program models like Amazon.com, for which the **Web** site visitor leaves the **partner** 's site to complete the transaction, one benefit of the e-commerce model is that it keeps the site visitor on the **partner** 's site or on a co-branded site. BizBuyer.com is one example of a dot.com partnering with associations in this way. A number of associations are also playing the primary role in e-commerce revenuesharing ventures. An excellent example is Associated Equipment Dealers (www.aednet.org), Oak Brook, Illinois. AED has licensed its MachineMart database in a way that it remains an AED component while allowing AED's **partner** to sell dealer equipment listed in the database from its site. (See "The Bold Rush to the Internet" in the August 2000 issue of ASSOCIATION MANAGEMENT to read more about AED's e-commerce venture.)

Two-tier. Revenue- **sharing** program marketing is potentially even more effective when the two-tier model is applied to a program. This model allows revenue- **sharing** partners to sign up additional revenue- **sharing** partners below them so that when second-tier partners earn a **commission** , the primary **partner** also receives a smaller **commission** as a referral fee. (ClickBank.com and Aweber.com are commercial examples of this two-tier revenue- **sharing** model.) In this regard, a two-tier model provides an additional revenue vehicle, but it also changes the structure of a revenue-- **sharing** relationship. For instance, if a national association-as a revenuesharing **partner** of a particular program-encourages its chapters to also offer the program, the national association will create an additional revenue opportunity by recruiting additional revenue- **sharing** partners as opposed to merely generating traffic by referring its members to the program.

Core considerations

No matter which of these or other types of revenue- **sharing** models your association may consider, revenue-- **sharing** partners need a way to weed out programs that may be poor performers. Before you sign up your association with a particular program, you'll want to assess whether it's a good match. (See sidebar, "Evaluating Your E-Partnership.") Likewise, an **online** revenue- **sharing** partnership brings with it many legal questions for **merchant** and **partner** alike. These include important tax and liability issues. Recognizing the legal implications of **online** partnerships and seeking counsel before proceeding is critical. (See the companion article "The Risk of Partnering **Online** " by Joseph Greif in this issue of ASSOCIATION MANAGEMENT.)

In particular, the success of any **online** revenue- **sharing** program hinges on several key components of the relationship that you should feel confident are squarely in place.

Technical setup and support. A whole host of activities are required for developing and maintaining a successful **online** partnership. For instance, the **merchant** must distribute HTML code, graphics, logos-everything its **partner** will need to establish a link to the revenue- **sharing** program. Technical support for partners is another key component. Merchants must provide the basic assistance to help partners establish the link and add it to their **Web** sites. This may be accomplished with help menus that walk partners through the process, but ideally someone will be available in real-time by e-- mail or phone to answer questions. Who is responsible for

such activities? Most successful revenue- **sharing** programs have an employee who manages the program and is typically responsible for establishing incentive programs and overseeing the front-end marketing of the program.

Reporting. One important way a **merchant** proves its honesty and financial stability is in how it handles **commission** reporting. Ideally, a **merchant** will provide real-time access to **commission** statements as well as **commission** tracking **online** so that partners may check their status at any time. In a password-protected part of the revenue-- **sharing** program's **Web** site, for instance, merchants should provide every conceivable piece of information that partners could want. This not only meets the needs of partners, but also cuts down on time spent by merchants fielding questions and fulfilling requests.

Marketing. A marketing plan Is required to build a revenue- **sharing** program. The role for the association as a **partner** is to determine in part whether the revenue- **sharing** program is directly tied to the association's mission. If so, the association may simply make available a list of e-mail addresses for the **merchant** or provide a brief mention of the program in its member publications and on its **Web** site, leaving all active promotion to the **merchant** . The implication for merchants is that they should be equipped to provide whatever kind of marketing is needed to make the program a success.

Compensation. The payment procedure for a revenue- **sharing** program is determined by the **merchant** . Typically, merchants will issue a **commission** check when the **partner** reaches a predetermined balance. In general, commissions are paid on a monthly basis, since a more frequent payment program is too expensive to maintain and a quarterly payment program will not satisfy most revenue **sharing** partners.

Ideally, merchants should recognize the lifetime value of each referred **customer** by paying partners accordingly, and they should pay partners whenever their referrals return to the **merchant** 's store and make purchases, not only on their first purchase. Such residual income is concrete proof that the **merchant** considers its revenue- **sharing** **partner** a **partner** and not a low-cost referral mechanism.

Of course, **commission** levels must be fair to both partners and program. When a **merchant** **pays** lifetime commissions, the best structure may be a higher percentage for the initial sale and a reduced percentage for any additional sales.
Analyzing costs and benefits

As with any strategic partnership your association enters, you'll want to make sure that the benefits of an **online** revenue- **sharing** program will more than outweigh its costs. Consider these important factors:

* Nature of the product or service. Does it make sense for the potential revenue- **sharing** **partner** to offer the product or service? This is really a question of synergy between the product and, in the case of associations, its members. If, for instance, you happen to know that a large base of your members are animal lovers and pet owners, then it may make sense to join a program offering products and services related to those concerns even if those concerns don't support the primary mission of your association. Along these same lines, if your membership is composed of animal rights activists, then you clearly don't want to join a program that sells hunting apparel.

Cost of the product or serVice. In addition to seeking a certain synergy between the product and your membership, the cost to members should be in harmony with what they're willing to pay. One basic question to ask is whether the price points of the product or service are relevant to your marketplace.
Credibility of the program. How long has the program been around? Does the company have experience in this area? What is the company's financing situation? If it's a start-up and isn't yet profitable, does the company have enough capital to sustain itself? At the very least, seek references-including references beyond other clients, such as the company's accountant or attorney. Listen carefully not only to what is being said, but also to what isn't mentioned. **Customer** service. What are the company's policies regarding **customer** service and returns? If the association or its members experience a problem, is there a designated point person who will respond and fix the problem?

Level of traffic. Will the program generate enough participation? Based on how much time and energy your association may need to put forth, you should have a benchmark in mind for what level of participation will make the program successful and worthwhile. However, only once a program is in place can you really determine whether members appreciate the program and are availing themselves of what it offers.

Hard and soft costs. What will be the financial and staffing commitments required by your association? Will you need to acquire an information technology staff member to implement and maintain the program? While this generally won't be the case, you will likely assume some soft costs as a result of needing to monitor the program. This often means that someone already on staff will absorb additional responsibilities for tracking revenue and fielding member inquiries and complaints. Determine how much impact a given program will have on association staff. Will the incremental revenue resulting from your involvement in a program justify the staff time it may take to establish, maintain, or monitor a link? Do the people and money necessary to start and maintain a program exist?

Hidden costs versus real value. Finally, while you may not be able to pinpoint in dollars the goodwill lost or gained with members, it's worth bearing in mind that your association's reputation is always at stake with any partnership you form. If your members see that their association is aligned with a product that doesn't work or is irrelevant to them, you could lose valuable credibility that may be difficult if not impossible to recoup. If, however, you've done your homework and know that a real synergy exists between a particular product or service and your membership, then members will reward you by coming back more often than before. The counterpoint to hidden costs is the real value that the right match can bring to your members and to your association.

Evaluating Your e-Partnership
How can you tell a good revenue- **sharing** opportunity when you see one? How can you be sure that those wanting to **partner**

with your program will pass muster? A true partnership runs both ways. Whichever role you play in an **online** revenue- **sharing** rela. tionship, make sure that the product or service being offered and the potential **partner** aiming to sell it create an obvious fit. Otherwise, it's probably not worth the time, money, and effort to develop a partnership.

The Revenue **Sharing** Association (RSA), San Francisco, offers a free service to its members that provides a complete review of the revenue- **sharing** programs in which they are interested. The review includes

information about a **merchant** 's financial status, its principals, number of affiliates, the status of any disputes, how the program is managed (e.g., third party or in-house), and its criteria for choosing partners. Additionally, RSA has established a rating system to help members judge a program and recommends that members don't join a program that doesn't earn at least a satisfactory rating.

SATISFACTORY. Programs considered satisfactory should have these characteristics:
1. **Online** application form. Merchants should make it easy to join their programs. And in most cases, signing up should be free. While some programs may require payment to join as a way to ensure the quality of their

partners, take a close look at any program that asks you to pay.

2. Well-written terms and conditions. In many cases, the only thing the revenue- **sharing** **partner** is responsible for is providing traffic, and any ongoing maintenance and administration is the responsibility of the **merchant** . Make sure roles and responsibilities are spelled out.

3. Good product or service. Does the program offer a great product or service at a good price? Will it be a good fit for your association? If not, the program is doomed from the start, since most people won't be successful selling what they don't believe in.

4. Good compensation plan. As a general rule, the **commission** to a revenue- **sharing** **partner** should be at least 10 percent, with a minimum dollar amount accumulated before payment of $25. Additionally, the **partner** should have a choice of receiving payments by paper check or electronic deposit.
5. Real-time reporting services. Partners should have access to tracking their revenue at all times.

SUPERIOR. Programs considered of superior rating should have all characteristics of a satisfactory rating, plus:

1. Privacy policy. Make sure that your association and its members have verification that their information won't be shared or sold without their permission. Likewise, make sure the program provides clear instruction about how to voice complaints and includes a toll-free number and e-mail address.

2. **Customer** service support. Make sure the program clearly delineates its return policy and that it provides multiple touch points (an 800 number and e- mail address, for instance) available 24 hours a day, seven days a week.

3. Membership in one or more third-party privacy services. The Better Business Bureau and Truste.org are two such services that can indicate whether a **merchant** is **customer** friendly.

EXCELLENT. Programs considered excellent should have all characteristics of a superior rating, plus:
1. Excellent **customer** service support. In addition to providing 800 and e-mail channels for voicing a complaint, programs deemed excellent will also provide a **customer** reply and tracking system whereby customers are updated about the status of their complaint or can check the status themselves.

2. Excellent **partner** support services. An excellent program also designates a point person who manages the association's account,

understands the needs of the association's membership, and is made available to correct any problems or complaints.

3. Regular marketing promotions targeted to its **partner** audiences.

4. Payment to partners based on residual basis (i.e., payment for repeat-not only firsttime-visits or purchases).

5. Option of co-branded pages.

6. Translation capability that offers multiple language options.

For more information on revenue **sharing** , see RSA's **Web** site at www.revenuesharingassoc.com.
Keeping Members in Mind

Offering members portals for shopping is a fast-growing area of interest for associations, according to Annette Petrick, CAE, president of Petrick Outsourcing Unlimited, Inc., Woodstock, Virginia. In conjunction with this trend, asso

ciations are also moving toward co-branding products-providing, for instance, a selection of insurance products specific to their industries or professions. "Whereas members used to turn to their associations as the source of information, many now consider the Internet as their primary source," says Petrick. The implication? "Associations must develop strategies and partnerships **online** that will keep members turning to them as the source for information and products on the Internet as well," says Petrick.

At the same time, associations must offer programs and products that make sense for their members and are in line with the association's mission, says Petrick. One mistake she sees some associations making is rushing to provide anything and everything **online** . Simply because a particular program is relatively pain-free to provide, it's still vitally important to know what your members want and what kind of programs will make a good fit, contends Petrick.

Ultimately, an **online** strategic partnership, like any other your association may enter, must enhance the value of the association for your members, says Chip Deale, CAE, vice president of member and society services for the Association for Investment Management

and Research (www.aimr.org), Charlottesville, Virginia. AIMR relies on member surveys and feedback to gauge the kind of programs the association ought to pursue.

Determining which revenue- **sharing** model works best for a particular program depends in part on the nature of what is being offered. For instance, AIMR offers several **online** programs based on **royalty** payment.
Under one program, AIMR members in North America receive discounts on various IBM products and services. In return, AIMR receives 2-6 percent on each sale, depending on the product or service purchased. In another revenuesharing arrangement, the association receives a flat fee for each AIMR member order placed with MacMannes, Inc., which offers AIMR's Chartered Financial Analyst members professional framing and matting of their charters.
Decisions about the nature and structure of an **online** partnership depend at least in part on the level of control you want your association to maintain. For instance, Boxwood Technology, Inc., Washington, D.C., which

provides e-recruiting services, partners with a number of associations in actual revenue- **sharing** arrangements. But when AIMR decided to migrate its former paperbased job bank to an electronic format, the association decided to retain 100 percent of the marketing and promotion of JobLine to its members. As a result, AIMR receives 100 percent of the revenue and **pays** Boxwood a monthly fee for hosting, maintaining, and providing back-end support.

"The best **online** programs-and the most successful ones-will be an outgrowth of asking what meets the specific needs of your members," says Deale. Equally important, he says, is selecting program partners that not only have a working knowledge of associations, but that also understand the particular industry or profession your association repre. sents.

And the nondues revenue derived from your **online** partnerships should not be the primary motivation for participating in a program, adds Stacy Tetschner, CAE, executive vice president, National Speakers Association, Tempe, Arizona. Make service to members your number one concern. Your own credibility as an association is also at stake, reminds Tetschner. He offers four critical questions you can ask when assessing the fit between your association's membership and a potential revenue **sharing** program:

1. Does this company offer a product or service that my members need? If so, who else is providing it, and can my members get it less expensively elsewhere?

2. How will this company market to my membership? How much input will it allow my staff members in developing the marketing pieces to target the needs of our members?

3. Is our share of revenue fair for the amount of work we need to put into the program? (Even if the revenue share doesn't reflect the amount of resources you invest, is this a service that your members really want and have been asking for?)

4. How long has this company been in business, and what will be included in the contract to ensure continued service if it merges or is acquired by another company?

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